

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 18 2013

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended December 31, 2012  
With Supplemental Information Schedules**

**C O N T E N T S**

	<b><u>Statement</u></b>	<b><u>Page No.</u></b>
<b>Independent Auditor's Report</b>		<b>3</b>
<b>Required Supplemental Information (Part I)</b>		
<b>Management's Discussion and Analysis</b>		<b>7</b>
<b>Basic Financial Statements</b>		
<b>Government-Wide Financial Statements:</b>		
<b>Statement of Net Position</b>	<b>A</b>	<b>12</b>
<b>Statement of Activities</b>	<b>B</b>	<b>13</b>
<b>Fund Financial Statements:</b>		
<b>Governmental Funds:</b>		
<b>Balance Sheet</b>	<b>C</b>	<b>14</b>
<b>Reconciliation of the Governmental Funds Balance Sheet to             The Financial Statement of Net Position</b>		<b>15</b>
<b>Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>D</b>	<b>16</b>
<b>Reconciliation of the Governmental Funds Statement of Revenues,             Expenditures, And Changes in Fund Balances             to the Statement of Activities</b>		<b>17</b>

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Contents, December 31, 2012**

**C O N T E N T S (CONTD.)**

	<b><u>Schedule</u></b>	<b><u>Page No.</u></b>
Notes to the Financial Statements		18
<b>Required Supplemental Information (Part II):</b>		
Budget Comparison Schedules - General Fund	1	27
Note to Budgetary Comparison Schedule		28
Compensation Paid Commissioners		29
<b>Reports Required by Government Auditing Standards (Part III)</b>		
<b>Independent Auditor's Report Required by Government Auditing Standards (Part III):</b>		
Report on Compliance and Internal Control over Financial Reporting		32
Schedule of Findings and Questioned Costs	2	34
Summary Schedule of Prior Audit Findings	3	35
Corrective Action Plan		36

**MARY JO FINLEY, CPA, INC.**

*A PROFESSIONAL CORPORATION*

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Independent Auditor's Report**

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and major fund of the Fire Protection District No. 6 of Bienville Parish, a component unit of the Bienville Parish Police Jury, as of December 31, 2012, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Fire Protection District No. 6 of Bienville Parish's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Fire Protection District No. 6 of Bienville Parish's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fire Protection District No. 6 of Bienville Parish's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2012**

***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Fire Protection District No. 6 of Bienville Parish as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, and the budgetary comparison information on pages 27 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fire Protection District No. 6 of Bienville Parish's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The supplemental information schedules listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

FIRE PROTECTION DISTRICT NO 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2012

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated June 28, 2013, on my consideration of the Fire Protection District No 6 of Bienville Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire Protection District No 6 of Bienville Parish's internal control over financial reporting and compliance.



West Monroe, Louisiana  
June 28, 2013

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**Management's Discussion and Analysis  
December 31, 2012**

As management of the Fire Protection District No. 6 of Bienville Parish, we offer readers of the Fire Protection District No. 6 of Bienville Parish financial statements this narrative overview and analysis of the financial activities of the Fire Protection District No. 6 of Bienville Parish for the fiscal year ended December 31, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Fire Protection District No. 6 of Bienville Parish basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-wide financial statements.*** The *government-wide financial statements* are designed to provide readers with a broad overview of the Fire Protection District No. 6 of Bienville Parish finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Fire Protection District No. 6 of Bienville Parish assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Fire Protection District No. 6 of Bienville Parish is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).



***Fund financial statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fire Protection District No. 6 of Bienville Parish, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fire Protection District No. 6 of Bienville Parish are governmental funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fire Protection District No. 6 of Bienville Parish adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

***Notes to the financial statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Other Information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Fire Protection District No. 6 of Bienville Parish performance.

#### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fire Protection District No. 6 of Bienville Parish exceeded liabilities by \$1,086,886. Approximately 33% of the Fire Protection District No. 6 of Bienville Fire net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Fire Protection District No. 6 of Bienville Parish to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

#### STATEMENT OF NET POSITION

<b>ASSET</b>	<b>2012</b>	<b>2011</b>
Cash and cash equivalents	\$314,972	\$144,087
Receivables - ad valorem taxes	439,859	441,121
Capital assets (net of accumulated depreciation)	<u>350,324</u>	<u>341,744</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,105,155</u></b>	<b><u>\$926,952</u></b>
<b>LIABILITIES</b>		
Accounts payable	<u>\$18,269</u>	<u>\$26,691</u>
<b>TOTAL LIABILITIES</b>	<b>18,269</b>	<b>26,691</b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	350,324	341,744
Unrestricted	<u>736,562</u>	<u>558,517</u>
<b>TOTAL NET POSITION</b>	<b><u>\$1,086,886</u></b>	<b><u>\$900,261</u></b>

#### STATEMENT OF ACTIVITIES

	<b>2012</b>	<b>2011</b>
<b>Public safety:</b>		
Personal services	\$41,453	\$33,840
Operating services	126,179	107,283
Materials and supplies	26,095	78,920
Travel	6,816	7,522
Intergovernmental	13,536	13,522
Depreciation expense	<u>53,235</u>	<u>40,871</u>
<b>Total Program Expenses</b>	<b><u>267,314</u></b>	<b><u>281,958</u></b>
<b>General revenues:</b>		
Taxes - ad valorem	440,073	439,377
State grants	2,715	69,251
Fire insurance rebate	7,445	7,515
Interest earned	706	801
Other	<u>3,000</u>	<u>1,734</u>
<b>Total General Revenues</b>	<b><u>453,939</u></b>	<b><u>518,678</u></b>
<b>Change in Net Position</b>	<b>186,625</b>	<b>236,720</b>
<b>Net Position - Beginning of year</b>	<b><u>900,261</u></b>	<b><u>663,541</u></b>
<b>Net Position - End of year</b>	<b><u>\$1,086,886</u></b>	<b><u>\$900,261</u></b>

#### Financial Analysis of the Government's Funds

As noted earlier, the Fire Protection District No. 6 of Bienville Parish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2012, the general fund's governmental fund balances of \$736,562 showed an increase of \$178,045 over December 31, 2011.

### **General Fund Budgetary Highlights**

The major difference between expenditures of the original budget and the final budget were due to an increase in estimated capital outlay and intergovernmental. The major difference between revenues of the original budget and the final budget was due to an increase in ad valorem tax.

### **Capital Asset and Debt Administration**

**Capital assets.** The Fire Protection District No. 6 of Bienville Parish investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$350,324 (net of accumulated depreciation). This investment includes buildings, vehicles, and equipment. There was an increase of \$61,815 and no decreases for the year.

**Long-term debt.** There was no long term debt outstanding at December 31, 2012.

### **Requests for Information**

This financial report is designed to provide a general overview of the Fire Protection District No. 6 of Bienville Parish finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fire Protection District No. 6 of Bienville Parish, P.O. Box 199, Castor, LA 71016.

June 28, 2013

## **BASIC FINANCIAL STATEMENTS**

.

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**STATEMENT OF NET POSITION  
December 31, 2012**

**ASSETS**

Cash and cash equivalents	\$314,972
Receivables - ad valorem taxes	439,859
Capital assets (net of accumulated depreciation)	<u>350,324</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,105,155</u></b>

**LIABILITIES**

Accounts payable	\$18,269
------------------	----------

**NET POSITION**

Invested in capital assets, net of related debt	350,324
Unrestricted	<u>736,562</u>
<b>TOTAL NET POSITION</b>	<b><u>\$1,086,886</u></b>

See accompanying notes and accountant's compilation report.

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**STATEMENT OF ACTIVITIES  
December 31, 2012**

<b>Public safety:</b>	
Personal services	\$41,453
Operating services	126,179
Materials and supplies	26,095
Travel	6,816
Intergovernmental	13,536
Depreciation expense	53,235
Total Program Expenses	<u>267,314</u>
<b>General revenues:</b>	
Taxes - ad valorem	440,073
State grants	2,715
Fire insurance rebate	7,445
Interest earned	706
Other revenues	3,000
Total General Revenues	<u>453,939</u>
<b>Change in Net Position</b>	<b>186,625</b>
<b>Net Position - Beginning of year</b>	<b><u>900,261</u></b>
<b>Net Position - End of year</b>	<b><u><u>\$1,086,886</u></u></b>

See accompanying notes and accountant's compilation report.

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
GOVERNMENTAL FUNDS**

**Balance Sheet, December 31, 2012**

**ASSETS**

Cash and cash equivalents	\$314,972
Receivables - ad valorem taxes	<u>439,859</u>
<b>TOTAL ASSETS</b>	<b><u>\$754,831</u></b>

**LIABILITIES AND FUND EQUITY**

Liabilities - accounts payable	\$18,269
Fund Equity - fund balances - unassigned	<u>736,562</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$754,831</u></b>

**See accompanying notes and accountant's compilation report.**

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position**

**For the Year Ended December 31, 2012**

<b>Total Fund Balances at December 31, 2012 - Governmental Funds (Statement C)</b>		<b><u>\$736,562</u></b>
<b>Cost of capital assets at December 31, 2012</b>	<b>\$2,089,515</b>	
<b>Less: Accumulated depreciation as of December 31, 2012</b>	<b><u>(1,739,191)</u></b>	<b><u>350,324</u></b>
<b>Net Position at December 31, 2012 (Statement A)</b>		<b><u>\$1,086,886</u></b>



**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND**

Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended December 31, 2012

<b>REVENUES</b>	
Ad valorem taxes	\$440,073
Intergovernmental revenues:	
State grants	2,715
Fire insurance rebate	7,445
Use of money and property	706
Other revenues	3,000
Total revenues	<u>453,939</u>
<b>EXPENDITURES</b>	
Public safety:	
Current:	
Personal services	41,453
Operating services	126,179
Materials and supplies	26,095
Travel and other	6,816
Capital outlay	61,815
Intergovernmental	13,536
Total expenditures	<u>275,894</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	178,045
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>558,517</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$736,562</u></u>

See accompanying notes and accountant's compilation report.

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities**

**For the Year Ended December 31, 2012**

<b>Total net change in fund balances - governmental funds (Statement D)</b>	<b>\$178,045</b>
---	------------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.

<u><b>8,580</b></u>
---------------------

<b>Change in net position of governmental activities (Statement B)</b>	<u><u><b>\$186,625</b></u></u>
--	--------------------------------

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fire Protection District No. 6 of Bienville Parish was created by the Bienville Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 13, 1977. The district is governed by a five member board, two members appointed by the police jury, one member appointed by the Town of Castor, one member appointed by the Town of Bienville, and one appointed by board members. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

The accompanying financial statements of the Fire Protection District No. 6 of Bienville Parish have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements (Continued)**

- a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district, appoints certain commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Bienville Parish financial reporting entity.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The district's basic financial statements include both government-wide (reporting the district as a whole) and fund financial statements (reporting the district's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements (Continued)**

long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

**Allocation of Indirect Expenses** - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

**C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements (Continued)**

three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

**Governmental Fund Type**

**General Fund** - The General Fund is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements (Continued)**

prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Other intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, ad valorem taxes and other intergovernmental revenues have been treated as susceptible to accrual.

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements (Continued)**

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. CASH AND CASH EQUIVALENTS**

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the district has cash and cash equivalents (book balances) totaling \$314,972.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2012, total \$320,579 and are fully secured by federal deposit insurance and pledged securities.

**F. RISK MANAGEMENT**

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2012.



**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements (Continued)**

**2. LEVIED TAXES**

The district is authorized to levy a maximum tax of 6.89 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 7.19 mills for 2012. The tax was renewed and will expire with the 2018 tax roll.

The difference between authorized and levied millage is the result of reassessments of taxable property in the parish, as required by Article VII, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2012 assessed valuation (amounts expressed in thousands).

	2012 Assessed Valuation	Percent of Total Assessed Valuation
ETC Tiger Pipeline, LLC	\$47,544	12.03 %
Gulf South Pipeline Company	38,980	9.87 %
QEP Energy Company	23,286	5.89 %
Regency Intrastate	19,887	5.03 %
Bear Creek Storage Company	19,275	4.88 %
Centerpoint Energy Gas Transmission	16,269	4.12 %
Conocophillips Company	16,108	4.08 %
El Paso E & P Company, LP	14,613	3.70 %
QEP Field Services	9,137	2.31 %
Arcadia Gas Storage, LLC	9,112	2.31 %
Total	<u>\$214,211</u>	<u>54.21 %</u>

**3. CHANGES IN CAPITAL ASSETS**

The following presents the changes in capital assets for the year ended December 31, 2012:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Land	\$250,000			\$250,000
Buildings	412,000			412,000
Vehicles	1,214,726	\$3,000		1,217,726
Equipment	150,974	58,815		209,789
Total	<u>\$2,027,700</u>	<u>\$61,815</u>	<u>NONE</u>	<u>\$2,089,515</u>

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Notes to the Financial Statements (Continued)**

Depreciation on capital assets	<u>(\$1,685,956)</u>	<u>(\$53,235)</u>	<u>NONE</u>	<u>(\$1,739,191)</u>
Net capital assets	<u>\$341,744</u>	<u>\$8,580</u>	<u>NONE</u>	<u>\$350,324</u>

**4. PENSION PLANS**

The district has one full-time employee and two part time employees who participate in the social security system. The employees contributes 7.65% of his total salary to social security (FICA and Medicare) which is matched by employer contributions.

**5. LITIGATION AND CLAIMS**

The district is not involved in any litigation at December 31, 2012, nor is it aware of any unasserted claims.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
: Castor, Louisiana**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2012**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>				
Taxes - ad valorem	\$240,000	\$400,000	\$440,073	\$40,073
Intergovernmental revenues:				
State grant			2,715	2,715
Fire insurance rebate	7,500	7,500	7,445	(55)
Use of money and property	1,000	1,000	706	(294)
Other revenues			3,000	3,000
Total revenues	<u>248,500</u>	<u>408,500</u>	<u>453,939</u>	<u>45,439</u>
<b>EXPENDITURES</b>				
Current:				
General government - public safety:				
Personal services and related benefits	43,500	43,500	41,453	2,047
Operating services	112,000	112,000	126,179	(14,179)
Materials and supplies	9,500	9,500	26,095	(16,595)
Travel and other charges	5,000	5,000	6,816	(1,816)
Capital outlay	147,000	160,000	61,815	98,185
Intergovernmental	8,000	13,500	13,536	(36)
Total expenditures	<u>325,000</u>	<u>343,500</u>	<u>275,894</u>	<u>67,606</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(76,500)</u>	<u>65,000</u>	<u>178,045</u>	<u>113,045</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>200,000</u>	<u>200,000</u>	<u>558,517</u>	<u>358,517</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$123,500</u>	<u>\$265,000</u>	<u>\$736,562</u>	<u>\$471,562</u>

See accompanying note to budgetary comparison schedule.

**Fire Protection District No. 6  
of Bienville Parish  
Castor, Louisiana**

**NOTE TO BUDGETARY COMPARISON SCHEDULE**

**The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.**

**Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts for the year ended December 31, 2012 and subsequent budget amendments.**

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 2012**

**COMPENSATION PAID COMMISSIONERS**

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive no compensation for meetings.

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART III**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**MARY JO FINLEY, CPA, INC.**

*A PROFESSIONAL CORPORATION*

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance *Government Auditing Standards***

**BOARD OF DIRECTORS  
FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Fire Protection District No. 6 of Bienville Parish, a component unit of the Bienville Parish Police Jury, as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Fire Protection District No. 6 of Bienville Parish's basic financial statements, and have issued my report thereon dated June 28, 2013.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Fire Protection District No. 6 of Bienville Parish's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire Protection District No. 6 of Bienville Parish's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fire Protection District No. 6 of Bienville Parish's internal control.

*A deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

FIRE PROTECTION DISTRICT NO 6  
OF BIENVILLE PARISH  
Castor, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2012

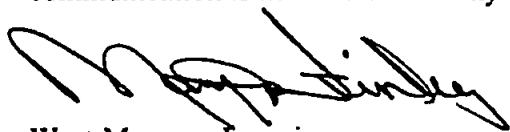
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fire Protection District No. 6 of Bienville Parish's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 12-01 in the accompanying schedule of findings and questioned costs.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire Protection District No. 6 of Bienville Parish's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire Protection District No. 6 of Bienville Parish's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana  
June 28, 2013

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the annual financial statements of the Fire Protection District No. 6 of Bienville Parish.
2. One instance of noncompliance material to the financial statements of the Fire Protection District No. 6 of Bienville Parish were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**Need to Comply with Article VII, Section 14  
of the Louisiana Constitution**

**Finding:** Article VII, Section 14 of the Louisiana Constitution prohibits the fire district from loaning funds or things of value to any person, association, or corporation, public or private. During the course of my audit I noted that the fire district made a payment of \$38,487.50 to Steve's Construction, a construction company that had been hired for a project. The project had not been started as of the date the payment was made.

**Recommendation:** I recommend that the fire district comply with the provisions and requirements of Article VII, Section 14 of the Louisiana constitution.

**FIRE PROTECTION DISTRICT NO. 6  
OF BIENVILLE PARISH  
Castor, Louisiana**

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2012**

**There were no findings reported in the review report for the year ended December 31, 2011.**

**BIENVILLE PARISH FIRE  
PROTECTION DISTRICT SIX**

**P O Box 190  
Castor, LA 71016-0190  
Office: (318) 544-9085  
Fax: (318) 544-0079  
Emergency/Report Fires: 911**

**June 28, 2013**

**Daryl G. Purpera, CPA, CFE  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804**

**Mr. Pupera,**

**This letter is in response to the finding in our fiscal year 2012 audit report.**

**We were not aware that it was a violation of Article VII, Section 14 of the Louisiana Constitution to pay a contractor in advance. Our contractor needed to purchase supplies to begin the work on the project and we paid him half of the contracted price to purchase the items he needed.**

**In the future we will comply with all applicable laws.**

**Sincerely,**



**Alvie Myers  
Board President**